

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

IN RE:)	
)	BANKRUPTCY NO. 14-10164-TPA
KEITH A. PIERCE and)	
BARBARA A. PIERCE)	
)	
Debtors,)	CHAPTER 11
_____)	

**STIPULATION FOR SETTLEMENT OF ADVERSARY
PROCEEDING AND FOR PLAN TREATMENT**

I. RECITALS

A. Keith A. Pierce and Barbara A. Pierce (the “Debtors”) commenced this case by filing a voluntary Chapter 13 Petition on February 19, 2014 (the “Petition Date”). On April 28, 2014 the Debtors converted this case to a Chapter 11 case.

B. The Debtors are obligated to PNC Bank, National Association (“PNC Bank”) pursuant to the following Direct Installment Notes and Home Equity Lines of Credit (the “Notes”) executed and delivered to PNC Bank whereby the Debtors agreed to pay PNC Bank principal and interest thereon as follows:

	<u>Note Date</u>	<u>Principal</u>	<u>Collateral</u>
Note # 1	April 3, 2003	\$53,000.00	1350 W. 10 th St., Erie, PA
Note # 2	April 3, 2003	\$86,000.00	1748 Clifford Dr., Erie, PA
Note # 3	April 3, 2003	\$9,000.00	1748 Clifford Dr., Erie, PA
Note # 4	April 3, 2003	\$61,000.00	1352 W. 10 th St., Erie, PA
Note # 5	April 3, 2003	\$25,000.00	1312 W. 9 th Street, Erie, PA
Note # 6	April 3, 2003	\$35,000.00	1312 W. 9 th Street, Erie, PA

C. The obligations evidenced by Note # 1 are secured by a Mortgage ("Mortgage # 1") executed and delivered by Debtors to PNC Bank, granting PNC Bank a lien on the real property known as 1350 West 10th Street, Erie, Pennsylvania 16502 (“10th Street”). Mortgage # 1 was recorded by the Erie County Pennsylvania Recorder of Deeds on May 1, 2003 at Book 1005 Page 1080.

D. The obligations evidenced by Note # 2 are secured by a Mortgage ("Mortgage # 2") executed and delivered by Debtors to PNC Bank, granting PNC Bank a lien on the real property

known as 1748 Clifford Drive, Erie, Pennsylvania 16505 ("Clifford Drive"). Mortgage # 2 was recorded by the Erie County Pennsylvania Recorder of Deeds on April 21, 2003 at Book 1000 Page 1210.

E. The obligations evidenced by Note # 3 are secured by a Mortgage ("Mortgage # 3") executed and delivered by Debtors to PNC Bank, granting PNC Bank a lien on the real property known as 1748 Clifford Drive, Erie, Pennsylvania 16505 ("Clifford Drive"). Mortgage # 3 was recorded by the Erie County Pennsylvania Recorder of Deeds on April 21, 2003 at Book 1000 Page 1202.

F. The obligations evidenced by Note # 4 are secured by a Mortgage ("Mortgage # 4") executed and delivered by Debtors to PNC Bank, granting PNC Bank a lien on the real property known as 1352 West 10th Street, Erie, Pennsylvania 16502 ("10th Street"). Mortgage # 4 was recorded by the Erie County Pennsylvania Recorder of Deeds on April 21, 2003 at Book 1000 Page 1208.

G. The obligations evidenced by Note # 5 are secured by a Mortgage ("Mortgage # 5") executed and delivered by Debtors to PNC Bank, granting PNC Bank a lien on the real property known as 1312 West 9th Street, Erie, Pennsylvania 16502 ("9th Street"). Mortgage # 5 was recorded by the Erie County Pennsylvania Recorder of Deeds on April 21, 2003 at Book 1000 Page 1212.

H. The obligations evidenced by Note # 6 are secured by a Mortgage ("Mortgage # 6") executed and delivered by Debtors to PNC Bank, granting PNC Bank a lien on the real property known as 1312 West 9th Street, Erie, Pennsylvania 16502 ("9th Street"). Mortgage # 6 was recorded by the Erie County Pennsylvania Recorder of Deeds on April 21, 2003 at Book 1000 Page 1200.

I. Each of the parcels of real property including the improvements thereon and any lease interests associated therewith shall be referred to as the "**Collateral**".

J. The Notes and the Mortgages, together with all other related agreements, documents, notes, instruments and guarantees creating or evidencing indebtedness or granting collateral security, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, being referred to herein collectively as the "**Loan Documents**".

K. As of the Petition Date, the amount due from the Debtors to PNC Bank under the Loan Documents was \$167,312.87, and to the extent that PNC Bank is over-secured, it is also entitled to

reasonable costs, fees and expenses, including reasonable attorney fees and costs, pursuant to 11 U.S.C. § 506 (collectively the “**Indebtedness**”).

L. On August 20, 2014, the Debtors filed an adversary complaint for Determination of Secured Status and Objection to Claim (the “Complaint”).

M. On October 3, 2014, PNC Bank, National Association (“PNC Bank”) filed its answer to the Complaint (the “Answer”).

N. On October 27, 2014, Debtors filed a Disclosure Statement and Plan of Reorganization (the “Plan”).

O. Pursuant to the Order of Court dated November 3, 2014, this Honorable Court conditionally approved the Debtors’ Disclosure Statement.

P. On December 11, 2014, PNC Bank filed an Objection to the Plan.

Q. PNC Bank and the Debtors wish to resolve the issues raised in the Complaint, Answer, Plan and Objection and have agreed upon the terms of the proposed resolution;

AND NOW, in consideration of the foregoing recitals, and with PNC Bank and the Debtors intending to be legally bound, the parties hereby stipulate and agree as follows:

1. The mortgage on 1350 West 10th Street, Erie, PA, shall be modified to \$22,615.10, which will be paid over ten years at 5.25% at \$242.64 per month.

2. The first and second mortgages of PNC Bank on the residence on Clifford Drive in the amounts of \$40,627.42 and \$8,628.98 shall be paid in full over ten years at 5.25% for monthly payments of \$435.90 and \$92.58.

3. The mortgage on the premises at 1352 West 10th Street, Erie, PA, shall be modified to have a secured balance of \$17,275.21, which will be paid over ten years at 5.25% at \$185.35 per month.

4. The first mortgage on 1312-14 West 9th Street shall be modified to show a secured amount of \$32,093.62, which will be paid over ten years at 5.25% at \$344.04 per month.

5. The second mortgage on 1312-14 West 9th Street shall be modified to show a secured amount of \$2,000.00, which will be paid over ten years at 5.25% at \$21.46 per month.

6. PNC Bank shall have an allowed unsecured claim in Debtors' Chapter 11 Bankruptcy case for the deficiency resulting from the modification of its secured claims.

7. All other terms, provisions, conditions, obligations, covenants, agreements, rights and remedies set forth in the Note and Mortgage remain in full force and effect.

8. The Debtors cannot further modify or reduce PNC Bank's claim.

9. The terms of this Stipulation may not be modified, revised, altered or changed to any extent, whether set forth in a Chapter 13 Plan or not, without the express written consent of both the Debtors and PNC Bank.

10. The Debtors and PNC Bank agree that the recitals set forth herein are incorporated into the Stipulation as though set forth at length.

11. In the event the Debtors' Chapter 11 bankruptcy case is dismissed or converted to a Chapter 7 bankruptcy case, the modification of the terms of the PNC Bank's secured claims as set forth herein by the terms of this Stipulation shall be deemed null and void without further hearing or Order.

12. The terms of this Stipulation shall be incorporated in the terms of the Plan.

13. This Court shall retain jurisdiction to enforce the terms of this Stipulation.

STIPULATED AND AGREED TO BY:

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